



## Ran Out of CERB and Not EI Eligible? Don't Worry: The \$400/Week CRB Is Here!

### Description

This fall, the CERB will be officially winding down. A proposed \$37 COVID-19 aid package by the Liberal government includes a one-month CERB extension followed by a transition to EI.

For those accustomed to regular \$1,000 bi-weekly CERB cheques, that may seem like a downer. EI doesn't pay as much as the CERB on average, and it requires that you pay in to receive it.

However, the EI being offered is not quite the same one you might be thinking of. While the existing EI program is still in effect, it now has a \$400 per week minimum. Additionally, a new form of "EI" called the [Canada Recovery Benefit](#) (CRB) is being rolled out. This benefit is available to gig workers who normally wouldn't be eligible for EI and pays \$400 a week.

### What you need to get the CRB

The CRB is a form of EI for self-employed workers who normally wouldn't be EI-eligible. Apart from being aimed at the otherwise ineligible, it appears to work the same as EI. To get it, you need to

- Be at least 15 years old
- Have a [SIN number](#)
- Have stopped working or had your hours reduced due to COVID-19
- Not be eligible for EI
- Have earned at least \$5,000 in 2019 or in the past 12 months
- Have not quit your job voluntarily

If you meet all those criteria, you should be eligible for the CRB. Your benefits do get clawed back \$0.5 for every dollar you earn over \$38,000, but earning that much is not an absolute barrier to getting the benefit.

### How much you could get

If you get the full CRB benefit, you will receive \$400 a week. That works out to \$1,600 in a four-week period — slightly more than \$1,600 in a typical month. You can get the CRB for up to 26 weeks. If you received it for that entire timeframe, you'd get \$10,400. Note that the CRB is pending legislation. The final details might change when parliament begins in the fall.

## How far \$1,600 could go

\$1,600 a month might not sound like much, but it could grow over time.

If you took that amount of money and invested it in an ETF like **BMO Mid-Term Investment Grade U.S. Corporate Bond Index ETF** ([TSX:ZIC](#)), you could increase it significantly.

To illustrate this, let's assume you had a marginal tax rate of 30%. At that tax rate, you'd get to keep \$280 from every \$400 paid in CRB. That would work out to \$7,280 over a 26-week period. If you invested that money in ZIC, you'd get \$218 back in distributions (cash payouts) per year. Over 10 years, you'd accumulate \$2,184 in these payouts. That's 30% of what you invested in the first place. Add that to the initial cash investment, and you'd have \$9,464 in 10 years. If you actively *reinvested* the distributions, you'd end up with even more than that.

What this shows is that even the seemingly small amount paid by the CRB can grow over time. Of course, you most likely wouldn't be investing every single penny you got in CRB payments. But you could invest part of it. And that could pave the way for a portfolio that helps you through tough times in the future.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:ZIC (BMO Mid-Term US IG Corporate Bond Index ETF)

### PARTNER-FEEDS

1. Business Insider
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